

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

Submitted on 11/14/2003 10:14:00 AM

		1
1.	FOR THE QUARTER ENDING:	September 30, 2003
2.	Name:	Community Health Group
3.	File Number:(Enter last three digits) 933-0	200
4.	Date Incorporated or Organized:	May 1, 1982
5.	Date Licensed as a HCSP:	July 17, 1986
6.	Date Federally Qualified as a HCSP:	N/A
7.	Date Commenced Operation:	
8.	Mailing Address:	740 Bay Boulevard
9.	Address of Main Administrative Office:	740 Bay Boulevard
10.	Telephone Number:	619-422-0422
11.	HCSP's ID Number:	
12.	Principal Location of Books and Records:	740 Bay Boulevard
13.	Plan Contact Person and Phone Number:	Mr. Frank Abbott
14.	Financial Reporting Contact Person and Phone Number:	Mr. Frank Abbott
15.	President:*	Ms. Norma Diaz, Chief Executive Officer
16.	Secretary:*	
17.	Chief Financial Officer:*	Mr. Frank Abbott
18.	Other Officers:*	Mr. Frank Abbott, Treasurer
19.		
20.		
21.		
22.	Directors:*	Mr. Albert Vitela, Chairman of the Board
23.		Mr. Paul Dato - Secretary
24.		Mr. Carlos Cesena - Board Member
25.		Mrs. Carlota Salas -Board Member
26.		Mr. Jose Luis Valdivia - Board Member
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32.	President	Mr. Albert Vitela
33.	Secretary	Mr. Paul Dato
34.	Chief Financial Officer	Mr. Frank Abbott
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.		
35.	Check if this is a revised filing, and complete question 7 on page 2: <input type="checkbox"/>	
36.	If all dollar amounts are reported in thousands (000), check here: <input type="checkbox"/>	

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	19,638,611
2. Short-Term Investments	16,440,240
3. Premiums Receivable - Net	2,122,234
4. Interest Receivable	
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	1,684,140
7. Prepaid Expenses	197,407
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	
10. Aggregate Write-Ins for Current Assets	7,975
11. TOTAL CURRENT ASSETS (Items 1 to 10)	40,090,607
OTHER ASSETS:	
12. Restricted Assets	500,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	184,129
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	49,310
18. TOTAL OTHER ASSETS (Items 12 to 17)	733,439
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	3,507,792
20. Furniture and Equipment - Net	333,716
21. Computer Equipment - Net	52,097
22. Leasehold Improvements -Net	11,579
23. Construction in Progress	
24. Software Development Costs	1,236,129
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	5,141,313
27. TOTAL ASSETS	45,965,359
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Due From Foundation	7,545
1002. Due From Employees	430
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	7,975
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deposits	49,310
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	49,310
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	1,923,240	XXX	1,923,240
2. Capitation Payable		XXX	0
3. Claims Payable (Reported)	5,500,829	1,451,243	6,952,072
4. Incurred But Not Reported Claims	5,746,813	1,453,805	7,200,618
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability	2,454,839		2,454,839
8. Unearned Premiums	6,999,270	XXX	6,999,270
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current		XXX	0
11. Aggregate Write-Ins for Current Liabilities	966,502	0	966,502
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	23,591,493	2,905,048	26,496,541
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	0	XXX	0
19. TOTAL LIABILITIES	23,591,493	2,905,048	26,496,541
NET WORTH			
20. Common Stock	XXX	XXX	
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	19,468,818
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	19,468,818
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	45,965,359
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Accrued Payroll and Benefits	966,502		966,502
1102.			0
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	966,502	0	966,502
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	7,820,544	23,564,872
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid	19,279,791	58,173,336
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	33,924	126,714
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	-69,188	2,217,702
11. TOTAL REVENUE (Items 1 to 10)	27,065,071	84,082,624
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	8,902,146	23,514,145
13. Inpatient Services - Per Diem	1,850,719	3,873,589
14. Inpatient Services - Fee-For-Service/Case Rate	5,705,002	16,988,154
15. Primary Professional Services - Capitated	2,707,909	7,770,250
16. Primary Professional Services - Non-Capitated		
17. Other Medical Professional Services - Capitated	2,084,271	6,009,515
18. Other Medical Professional Services - Non-Capitated	1,192,966	3,277,969
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service	3,721,132	12,066,541
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	-282,421	2,532,017
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	25,881,724	76,032,180
Administration		
25. Compensation	1,693,552	5,508,231
26. Interest Expense		
27. Occupancy, Depreciation and Amortization	268,661	986,648
28. Management Fees		
29. Marketing	531,917	1,464,297
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	458,176	1,490,485
32. TOTAL ADMINISTRATION (Items 25 to 31)	2,952,306	9,449,661
33. TOTAL EXPENSES	28,834,030	85,481,841
34. INCOME (LOSS)	-1,768,959	-1,399,217
35. Extraordinary Item		
36. Provision for Taxes		
37. NET INCOME (LOSS)	-1,768,959	-1,399,217
NET WORTH:		
38. Net Worth Beginning of Period	21,237,776	20,868,038
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	-1,768,958	-1,399,220
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	19,468,818	19,468,818

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Other Revenue	18,677	2,008,677
1002. Realized Gain/(Loss) on investments	1,784	73,591
1003. Unrealized Gain/(Loss) on Investments	-209,911	-230,502
1004. Investment income	120,262	365,936
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	-69,188	2,217,702
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Reinsurance - net	-489,176	24,202
2302. Provider Savings Sharing	206,755	2,507,815
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	-282,421	2,532,017
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Printing and Reproduction	75,001	220,388
3102. Consulting Services	117,084	357,060
3103. Legal and Accounting	91,674	175,057
3104. General Insurance	79,061	237,779
3105. Postage and Express Freight	50,446	192,500
3106. Other	44,910	307,701
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	458,176	1,490,485
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	33,101,453	81,515,010
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues	42,195	2,240,876
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-23,535,596	-71,856,374
8. Administration Expenses	-4,263,858	-12,636,881
9. Federal Income Taxes Paid		
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	5,344,194	-737,369
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment	7,239	27,618
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment	-315,731	-990,348
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-308,492	-962,730
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	5,035,702	-1,700,099
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	14,602,909	21,338,710
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	19,638,611	19,638,611
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	-1,768,959	-1,399,217
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	166,248	737,455
32. Decrease (Increase) in Receivables	-1,273,883	-1,927,323
33. Decrease (Increase) in Prepaid Expenses	65,776	173,374
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable	566,208	400,868
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	1,632,776	1,190,123
37. Increase (Decrease) in Unearned Premium	6,313,417	391,420
38. Aggregate Write-Ins for Adjustments to Net Income	-357,390	-304,066
39. TOTAL ADJUSTMENTS (Items 31 through 38)	7,113,152	661,851
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	5,344,193	-737,366
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Gain/Loss on Sale of Assets - Investment(Real/Unrealized)	87,865	-206,001
3802. Salaries & Wages	-445,255	-98,065
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	-357,390	-304,066

This page is no longer in use.

This page is no longer in use.

REPORT #4: ENROLLMENT AND UTILIZATION TABLE**TOTAL ENROLLMENT**

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	8,434	881	496	8,819	24,922	5,220	12,633	17,853	1,921	925	2.30
2. Medicare Risk				0				0			
3. Medi-Cal Risk	65,491	9,010	9,670	64,831	192,141	11,425	69,076	80,501	15,155	946	2.80
4. Individual				0				0			
5. Point of Service				0				0			
6. Aggregate write-ins for Other	19,608	2,043	1,726	19,925	59,570	5,730	13,839	19,569	646	130	1.90
7. Total Membership	93,533	11,934	11,892	93,575	276,633	22,375	95,548	117,923	17,722	769	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group				0				0			
602. Healthy Families	19,608	2,043	1,726	19,925	59,570	5,730	13,839	19,569	646	130	2.10
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699, 698) (Line 6 above)	19,608	2,043	1,726	19,925	59,570	5,730	13,839	19,569	646	130	

**

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Union Bank of California - General	4000165579	0
2. Union Bank of California - Trust	700016608-00	6,292,222
3. San Diego National Bank - CD	3537340350	2,347,670
4. San Diego National Bank - General	307521470	10,163,046
5. Wells Fargo Bank - Prop Mgmt	088-3021263	22,370
6. Wells Fargo Bank	W20880583	812,003
7.		
8.		
9. Total Cash on Deposit		19,637,311
10. Cash on Hand (Petty Cash)		1,300
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		19,638,611

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Union Bank of California	409065893	100,000
13. California Bank & Trust	07-008439-30	100,000
14. Bank of America	21849-05065	100,000
15. Mizuho Corporate Bank of California	4402529	100,000
16. Washington Mutual	861-865230-4	100,000
17.		
18.		
19. Total Restricted Assets		500,000

* Indicate the Balance Per the HMO's Records

**

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	MRMIB- Healthy Families Prem - September	1,380,356				1,380,356
2.	Commercial Groups Premium	742,460				742,460
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	2,122,816	0	0	0	2,122,816

**

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	International Managed Care Services	668,655			375,337	1,043,992
2.	International Managed Care Services	81,904	66,324	67,555	423,004	638,787
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed	1,361				1,361
55.	Total	751,920	66,324	67,555	798,341	1,684,140

**

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1. City National Investment - Money Purchase Plan					448,504	448,504
2. Kemper Services - Simplified Employee Pension					175,227	175,227
3. Medimpact	703,000					703,000
4. Medpremises				50,631		50,631
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23. Aggregate Accounts Not Individually Listed - Due	545,878					545,878
24. Total	1,248,878	0	0	50,631	623,731	1,923,240

**

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	4,691,523	4,498,624	9,190,147
2. Physician Claims	1,868,960	1,914,159	3,783,119
3. Referral Claims	370,832	359,511	730,343
4. Other Medical	269,303	179,778	449,081
5. TOTAL	7,200,618	6,952,072	14,152,690

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11. September 30, 2003	90,890	39,821	24,314	11,758	-959	93,680
13. August 31, 2003	86,088	36,614	21,924	12,527	2,639	90,890
14. July 31, 2003	70,030	34,739	14,368	7,545	3,232	86,088
15. June 30, 2003	62,303	36,691	17,374	9,400	-2,190	70,030
16. May 31, 2003	52,506	35,160	18,944	6,776	357	62,303
17. April 30, 2003	48,015	36,066	21,968	10,099	492	52,506
18. March 31, 2003	47,242	34,714	22,444	9,776	-1,721	48,015
19. February 28, 2003	43,639	31,525	19,592	7,619	-711	47,242
20. January 31, 2003	43,489	32,405	21,189	8,759	-2,307	43,639
21. December 31, 2002	40,187	30,207	17,791	10,081	1,028	43,550
22. November 30, 2002	36,082	28,363	17,868	9,642	3,252	40,187
23. October 31, 2002	28,612	32,301	15,029	8,058	-1,744	36,082

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

**

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
1.	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
2.	September 30, 2003	38,150	33,457	19,091	2,982	93,680
3.	August 31, 2003	33,457	27,421	28,912	1,100	90,890
4.	July 31, 2003	32,861	36,128	17,099		86,088
5.	June 30, 2003	36,150	30,969	2,911		70,030
6.	May 31, 2003	34,233	28,070			62,303
7.	April 30, 2003	35,647	16,859			52,506
8.	March 31, 2003	36,552	11,463			48,015
9.	February 28, 2003	34,392	12,850			47,242
10.	January 31, 2003	29,641	11,888	2,110		43,639
11.	December 31, 2002	43,550				43,550
12.	November 30, 2002	40,187				40,187
13.	October 31, 2002	36,082				36,082

**

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag
1. September 30, 2003	14,152,690	XXXX	14,152,690	5,949,238
2. June 30, 2003	12,438,368	11,322,914	1,115,454	817,748
3. March 31, 2003	10,941,177	13,400,462	-2,459,285	156,717
4. December 31, 2002	8,360,893	10,542,475	-2,181,582	28,368
5. September 30, 2002	9,944,951	11,746,749	-1,801,798	
6. June 30, 2002	8,974,113	11,804,775	-2,830,662	
7. March 31, 2002	8,564,237	8,825,433	-261,196	
8. December 31, 2001	8,463,147	8,209,695	253,452	

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

**

1	
NOTES TO FINANCIAL STATEMENTS	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	
31.	
32.	
33.	
34.	
35.	
36.	
37.	
38.	
39.	
40.	
41.	
42.	
43.	
44.	
45.	
46.	
47.	
48.	
49.	
50.	
51.	
52.	
53.	
54.	
55.	
56.	
57.	
58.	
59.	

1	
OVERFLOW PAGE FOR WRITE-INS	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	
31.	
32.	
33.	
34.	
35.	
36.	
37.	
38.	
39.	
40.	
41.	
42.	
43.	
44.	
45.	
46.	
47.	
48.	
49.	
50.	
51.	
52.	
53.	
54.	
55.	
56.	
57.	
58.	
59.	

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.					
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.					
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.					
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	19,468,818
17.	Add: Subordinated Debt			\$	
18.	Less: Receivables from officers, directors, and affiliates			\$	7,545
19.	Intangibles			\$	184,129
20.	Tangible Net Equity (TNE)			\$	19,277,144
21.	Required Tangible Net Equity (See Page 22)			\$	4,387,870
22.	TNE Excess (Deficiency)			\$	14,889,274
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	27,119,008
24.	Administrative Costs			\$	3,718,806
25.	Percentage				14
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	2,236,058
27.	Total costs for health care services for the immediately preceding six months:			\$	48,967,118
28.	Percentage				5

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	
40. Total premium revenue earned	\$	
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	
43. Total health care expenditures	\$	
44. Percentage		0
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans		Specialized Plans	
		1		2	
A.	Minimum TNE Requirement	\$ 1,000,000		Minimum TNE Requirement	\$ 50,000
B.	REVENUES:				
1.	2% of the first \$150 million of annualized premium revenues	\$ 2,181,154		2% of the first \$7.5 million of annualized premium revenue	\$
	Plus			Plus	
2.	1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$
3.	Total	\$ 2,181,154		Total	\$ 0
C.	HEALTHCARE EXPENDITURES:				
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 3,296,927		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$
	Plus			Plus	
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$ 0		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
	Plus			Plus	
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 1,254,088		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
7.	Total	\$ 4,551,015		Total	\$ 0
8.	Required "TNE" - Greater of "A" "B" or "C"	\$ 4,387,870		Required "TNE" - Greater of "A" "B" or "C"	\$

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	19,468,818
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	19,468,818
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	19,468,818
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Line 5 (above)	\$	19,468,818
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	19,468,818
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group

STATEMENT AS OF 9-30-2003 OF 933-0200 Community Health Group